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CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION

Annual Financial Report

**As of and for the Year Ended
December 31, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-6-05

KEITH J. ROVIRA
Certified Public Accountant

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**CARROLLTON COMMUNITY ECONOMIC
DEVELOPMENT CORPORATION**
New Orleans, Louisiana

Basic Financial Statements
and Independent Auditor's Report
As of and for the Year Ended
December 31, 2004

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INDEPENDENT AUDITOR'S REPORT

Board of Directors of the
Carrollton Community Economic Development Corporation (CCEDC)
New Orleans, Louisiana

I have audited the accompanying basic financial statements of the Carrollton Community Economic Development Corporation (CCEDC) as of and for the year ended December 31, 2004, which collectively comprise the CCEDC's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Carrollton Community Economic Development Corporation. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

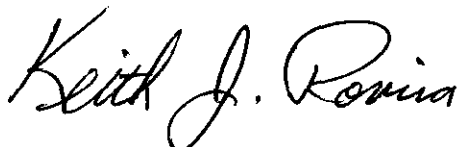
In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Carrollton Community Economic Development Corporation as of December 31, 2004, and the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in the notes to the basic financial statements, the Carrollton Community Economic Development Corporation has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." This results in a change in the format and content of the basic financial statements.

In accordance with Government Auditing Standards, I have also issued a report dated June 7, 2005, on my consideration of the Carrollton Community Economic Development Corporation's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis information as listed in the table of contents is not a required part of the basic financial statements, but is required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, I did not audit the information, and express no opinion on it.

My audit was prepared for the purpose of forming opinions on the financial statements that collectively comprise the CCEDC's basic financial statements. The supplementary information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Carrollton Community Economic Development Corporation. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion is fairly stated in all material respects, in relation to the basic financial statements taken as whole.



Keith J. Rovira
Certified Public Accountant

June 7, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2004

Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" issued June, 1999. Since this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year and that the GASB Statement No. 34 permits the omission of this comparative information in the first year of adoption of the new reporting model. Subsequent reports will include the comparative information.

FINANCIAL HIGHLIGHTS

The minimum requirements for financial reporting on the Carrollton Community Economic Development Corporation's office that was established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements

Basic Financial Statements:

The basic financial statements present information for the CCEDC as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

(1) Government-Wide Financial Statements, which include a Statement of Net Assets and a Statement of Activities. These statements present financial information for all activities of the CCEDC from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the CCEDC's overall financial status.

(2) Fund Financial Statements, which include a Balance Sheet and a Statement of Revenues, Expenses, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
 New Orleans, Louisiana
 Management's Discussion and Analysis (Continued)
 As of and for the Year Ended December 31, 2004

present information on the individual fund of the CCEDC allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements is dependent on the fund type. The CCEDC's only governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
 As of December 31, 2004

Current assets	<u>\$7,029</u>
Total Assets	<u>7,029</u>
Current Liabilities	<u>4,702</u>
Total Liabilities	<u>4,702</u>
Net Assets:	
Restricted	324
Unrestricted	<u>2,003</u>
Total Net Assets	<u>\$2,327</u>

The CCEDC has "restricted" and "unrestricted" net assets. Restricted net assets represent those portions of net assets that are legally segregated for a specific future use, and unrestricted net assets are those that do not have any limitations on what their amounts may be used for.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
 New Orleans, Louisiana
 Management's Discussion and Analysis (Continued)
 As of and for the Year Ended December 31, 2004

Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the year ended December 31, 2004

Revenues	\$64,146
Expenditures	<u>63,437</u>
Net Change in Fund Balance	\$ <u>709</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

The CCEDC does not have any capital assets or debt.

ECONOMIC FACTORS AND NEXT YEAR'S PROJECTIONS

The CCEDC considered the following factors for 2005's financial and project activities: (1) revenues to be received from outside sources, including the State of Louisiana and local businesses; (2) capital project activity and expenditures to be incurred for the new community center facility; (3) other operating costs of the CCEDC. The CCEDC expects that next year's expenses will not exceed the amount it will receive from reimbursements.

CONTACTING THE CCEDC

This financial report is designed to provide the citizens, taxpayers, customers, and creditors with a general overview of the CCEDC's finances, and to show the CCEDC's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Ms. Mary L. Stewart, Carrollton Community Economic Development Corporation, 9308 Palmetto Street, New Orleans, Louisiana 70118, or call 504-484-0929.

BASIC FINANCIAL STATEMENTS
(GOVERNMENT-WIDE FINANCIAL STATEMENTS)

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
 New Orleans, Louisiana
 Statement of Net Assets
 As of December 31, 2004

ASSETSCurrent Assets:

Receivables:

Reimbursements due from the Louisiana	\$6,429
Department of Economic Development	
Other	600

Total Current Assets	7,029
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Total Noncurrent Assets	-
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TOTAL ASSETS	7,029
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LIABILITIESCurrent Liabilities:

Book overdraft (Note B)	4,702
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TOTAL LIABILITIES	4,702
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NET ASSETS

Restricted	324
Unrestricted	2,003

TOTAL NET ASSETS	\$2,327
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The accompanying notes are an integral part of this statement.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Statement of Activities
For the Year Ended December 31, 2004

EXPENSES

Program services:	
Community center	\$20,571
Crime prevention rally	9,041
Administration	<u>33,825</u>
Total Expenses	<u>63,437</u>

GENERAL REVENUES

Grant revenue from governmental agencies	54,796
Unrestricted donations	<u>9,350</u>
Total General Revenues	<u>64,146</u>

Change in Net Assets	709
Net assets at beginning of year	<u>1,618</u>
Net assets at end of year	<u>\$2,327</u>

The accompanying notes are an integral part of this statement.

BASIC FINANCIAL STATEMENTS
(FUND FINANCIAL STATEMENTS)

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Balance Sheet
General Fund - Governmental Fund
December 31, 2004

ASSETS

Receivables:

Reimbursements due from the Louisiana	
Department of Economic Development	\$6,429
Other	<u>600</u>

TOTAL ASSETS	<u>\$7,029</u>
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LIABILITIES AND FUND BALANCE

Liabilities:

Book overdraft	<u>\$4,702</u>
----------------	----------------

Total Liabilities	<u>4,702</u>
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Fund balance:

Reserved-designated	324
Unreserved-undesignated	<u>2,003</u>

Total Fund Balance	<u>2,327</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$7,029</u>
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The accompanying notes are an integral part of this statement.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
December 31, 2004

Total Fund Balance - Governmental Fund	\$2,327
--	---------

Amounts reported for governmental activities
in the Statement of Net Assets are different
because:

None required.	<u>-</u>
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Total Net Assets of Governmental Activities	<u><u>\$2,327</u></u>
---	-----------------------

The accompanying notes are an integral part of this statement.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
 New Orleans, Louisiana
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 General Fund - Governmental Fund
 For the Year Ended December 31, 2004

REVENUE

Grant revenue from governmental agencies	\$54,796
Unrestricted donations	<u>9,350</u>
 Total Revenues	 <u>64,146</u>

EXPENDITURES

Program services:	
Community center	20,571
Crime prevention rally	9,041
Administration	<u>33,825</u>
 Total Expenses	 <u>63,437</u>

Excess of Revenues over Expenditures	709
 Fund Balance, Beginning of Year	 <u>1,618</u>
Fund Balance, End of Year	<u>\$2,327</u>

The accompanying notes are an integral part of this statement.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2004

Net Change in Fund Balance - Governmental Funds	\$709
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Amounts reported for governmental activities
in the Statement of Activities are different
because:

None required.	<u>-</u>
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Change in Net Assets of Governmental Activities	<u>\$709</u>
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The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2004

INTRODUCTION

The Carrollton Community Economic Development Corporation (CCEDC) was created as an separate legal entity established in September, 1992. It operates independently under its own articles of incorporation which were filed with the Louisiana Secretary of State in the records book of non-profit corporations in October, 1992. The CCEDC has control over all of its own operations. It was originally created for the following reasons: (1) to promote and develop economic opportunity within the community; (2) to provide services, directly and indirectly, to those in need of economic opportunity; (3) to promote the education and welfare of the citizens of the community; (4) to form groups to solve special problems within the community; and (5) to avail itself of the benefits offered by any civic, social, charitable, public or private, state or federal agency engaged in improving the lives of the people in the community.

Board members serve without compensation.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying basic financial statements of the CCEDC have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The CCEDC adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments for the first time this year. The CCEDC will be treated as a governmental-type activity for financial reporting purposes in this audit. The minimum requirements for the CCEDC's office established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis, and (b) Basic Financial Statements.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The accompanying financial statements of the present information only as to the transactions of the programs of the CCEDC as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Revenue Recognition

Grant monies received from governmental entities and unrestricted donations from the general public are recorded on the full accrual basis of accounting, thus are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are also recognized on the accrual basis; therefore, expenses, including general operating expenses, office supplies and expenditures, contract labor, etc. are recognized in the period incurred, if measurable.

2. Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 2100, the CCEDC is an independent legal entity established in September, 1992, and operating under its own articles of incorporation which were filed with the Louisiana Secretary of State in the record of non-profit corporations of that same year. The CCEDC has control over all of its own operations. This includes the hiring and retention of contract workers and employees, authority over budgeting, responsibility for funding deficits and operating deficiencies, and fiscal management for controlling the collection and disbursement of funds. Based on these facts, the CCEDC reports as an independent reporting entity and the financial statements include only the transactions of the CCEDC. Furthermore, the CCEDC and its financial

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

transactions are not included as a component unit in the annual financial report of any governmental, political or any other non-profit entity.

3. Fund Accounting

The CCEDC uses a General Fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The General Fund of the CCEDC is classified as a governmental fund. A governmental fund accounts for the CCEDC's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of fixed assets. The General Fund is the general operating fund of the CCEDC, and it accounts for all of its financial resources.

4. Budgets

The CCEDC was not required to prepare an annual budget for its financial activities for 2004 calendar year end.

5. Cash

Cash includes amounts in non-interest bearing checking accounts. Under state law, the CCEDC may deposit funds in demand deposit accounts with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

6. Long-Term Liabilities or Commitments

The CCEDC did not have any long-term liabilities or commitments that were required to be reported in the financial statements.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Restricted Net Assets
Restricted net assets represent those portions of net assets legally segregated for a specific future use.
8. Encumbrances
The CCEDC does not employ encumbrance accounting.
9. Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that *affect certain reported amounts and disclosures*. Accordingly, actual results could differ from those estimates.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2004

NOTE B - CASH

At December 31, 2004, the carrying amount (book balance) of all cash of the CCEDC was as follows:

Checking accounts (book overdraft)	\$ (4,702)
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The CCEDC had a "book" overdraft at year end due to the timing of the actual reimbursement to be received from the Louisiana Department of Economic Development. The checks for these expenditures were prepared in late December, 2004; however, the reimbursement to cover these checks was not received and deposited until March, 2005. The CCEDC's "bank account" did not become overdrawn because those checks were not processed by the recipients until March, 2005.

The deposits are stated at cost, which approximate market. Under state law, bank deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2004, the CCEDC had \$3,093 in deposits (collected bank balances), and these deposits were secured from risk by \$100,000 of federal deposit insurance (GASB Category 3).

NOTE C - GRANT AGREEMENTS AND FUNDED PROJECTS

In the current year, the CCEDC received most of its revenue from various grant programs, which operate as cost-reimbursement type programs. With these types of programs, the CCEDC seeks funding for certain projects by entering into grant agreements with the State of Louisiana through the Louisiana Department of Economic Development or other local entities. The funding received from these grantor/agencies goes directly to cover the actual expenditures incurred for the intended purpose of that particular project.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2004

NOTE C - GRANT AGREEMENTS AND FUNDED PROJECTS (CONTINUED)

In addition, there were unused and restricted funds received in a year prior to 2004 for projects that began in those prior years, but were not completed by December 31, 2004. These remaining funds were dedicated to those projects and were carried over into the current year (2004). The projects were completed when the carryover funds were completely expended for their particular purpose. Those projects include the following: (1) funding for compensation for a supervisor to oversee the day-to-day operations and activities of the planning of the new Community Center; and (2) funding for expenses incurred for the new Community Center project itself.

Also, the CCEDC received funding from the general public and sponsorships from corporations for the Crime Prevention Rally. The rally, which is open to the general public, brings the community together for refreshments, food, fun and entertainment. All contributions received went towards the expenditures of the rally. For this project, \$9,350 was received and all but \$309 was used for the 2004 rally. This remaining amount will be carried forward to 2005 and used only for the Crime Prevention Rally held in 2005.

Carrollton Community Center

The CCEDC entered into a cooperative endeavor agreement with the State of Louisiana in a prior year for the purpose of funding the planning and construction of the new Carrollton Community Center. The actual construction phase is expected to begin in year 2005. This capital outlay/construction project incurred various pre-construction expenditures in 2004 totaling \$20,571 for architect fees, fencing, lot maintenance and preparation, survey fees, etc. This same amount was reimbursed by the State. All future expenditures will be handled on a cost-reimbursement basis or a draw-down of the line of credit extended by the State of Louisiana and approved by the Louisiana State Bond Commission. The funding of the entire project is being overseen by the Louisiana Division of Administration's, Facility Planning and Control department. Construction project budgets will be maintained and amended as events and circumstances require.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2004

NOTE D - LITIGATION

The CCEDC is not a defendant in any lawsuits which would require a liability to be recorded in its financial statements as of December 31, 2004.

SUPPLEMENTARY INFORMATION SCHEDULES

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
 New Orleans, Louisiana
 Supplementary Information Schedule
 Statement of Activities (Unrestricted and Restricted)
 For the Year Ended December 31, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>			
Grant revenue from governmental agencies	-	\$54,796	\$54,796
Unrestricted donations	\$9,350	-	9,350
Total Revenues	9,350	54,796	64,146
<u>EXPENSES</u>			
Program services:			
Community center	-	20,571	20,571
Crime prevention rally	9,041	-	9,041
Administration	-	33,825	33,825
Total Expenses	9,041	54,396	63,437
Increase (Decrease) in Net Assets	309	400	709
Net Assets, Beginning of Year	1,694	(76)	1,618
Net Assets, End of Year	\$2,003	\$324	\$2,327

The accompanying notes are an integral part of this statement.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Supplementary Information Schedule (Continued)
Statement of Functional Expenses
For the Year Ended December 31, 2004

Community center - capital outlay	\$20,571
Crime prevention rally	\$9,041
Administration - personnel	\$33,825

The accompanying notes are an integral part of this statement.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Supplementary Information Schedule (Continued)
Summary Schedule of Prior Year Audit Findings and
Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2004

I have audited the accompanying basic financial statements of the Carrollton Community Economic Development Corporation as of and for the year ended December 31, 2004, and have issued my report thereon dated June 7, 2005. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2004 resulted in an unqualified opinion.

Section I - Summary of Auditor's Report and Findings

There was one material weakness in internal control that was a reportable condition which required disclosure in this audit report (Finding No. 1).

There were no instances of noncompliance that were required to be reported in this audit report.

There were no other findings, required to be reported, and no management letter was issued for the current audit period.

The Carrollton Community Economic Development Corporation did not receive any federal funds during the twelve months ended on December 31, 2004.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Supplementary Information Schedule (Continued)
Summary Schedule of Prior Year Audit Findings and
Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2004

Section II - Financial Statement Finding

Finding No. 1

Fiscal Year Finding Initially Occurred: December 31, 2004

Finding Described: The size of the CCEDC's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

Anticipated Completion Date: Not applicable.

Contact Person:

Ms. Mary L. Stewart
Carrollton Community Economic
Development Corporation
9308 Palmetto Street
New Orleans, Louisiana 70118
504-484-0929

OTHER REQUIRED REPORT

KEITH J. ROVIRA
CERTIFIED PUBLIC ACCOUNTANT
3331 METAIRIE ROAD
METAIRIE, LOUISIANA 70001-5297

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Board of Directors of the
Carrollton Community Economic Development Corporation
New Orleans, Louisiana

I have audited the basic financial statements of the Carrollton Community Economic Development Corporation as of and for the year ended December 31, 2004, and have issued my report thereon dated June 7, 2005. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As a part of obtaining reasonable assurance about whether the Carrollton Community Economic Development Corporation's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

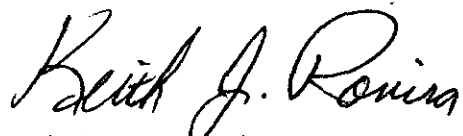
Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Carrollton Community Economic Development Corporation's internal control over

financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving the internal control over financial reporting and its operations that I consider to be reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the CCEDC's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. This reportable condition is described in the accompanying Schedule of Audit Findings in the Supplementary Information section of this audit report and is referenced as Finding No. 1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I considered the reportable condition described above to be a material weakness.

This report is intended solely for the use of management and the State of Louisiana Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.



Keith J. Rovira
Certified Public Accountant

June 7, 2005